

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH NELSON WATER)	
DISTRICT, NELSON COUNTY, KENTUCKY, (1) FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY AUTHORIZING CONSTRUCTION OF)	
MAJOR IMPROVEMENTS AND ADDITIONS TO ITS)	CASE NO.
EXISTING MUNICIPAL WATER DISTRIBUTION)	92-288
SYSTEM; (2) SEEKING APPROVAL OF REVISED)	
WATER SERVICE RATES AND CHARGES; AND (3))	
SEEKING APPROVAL OF THE ISSUANCE OF CERTAIN)	
SECURITIES)	

O R D E R

On July 10, 1992, North Nelson Water District ("North Nelson") filed an application for a Certificate of Public Convenience and Necessity to construct a \$583,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. Project funding includes a \$583,000 loan from the Farmers Home Administration ("FmHA"). The loan will be for a 40-year period.

North Nelson's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on July 10, 1992, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. North Nelson is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. North Nelson's proposed plan of financing with FmHA is accepted.

3. North Nelson shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

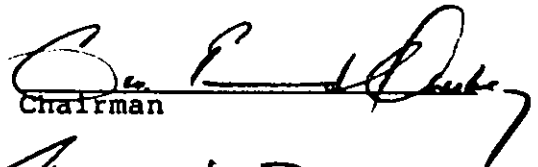
5. North Nelson shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. North Nelson shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), North Nelson shall take immediate action to bring the system into compliance with Commission regulations.

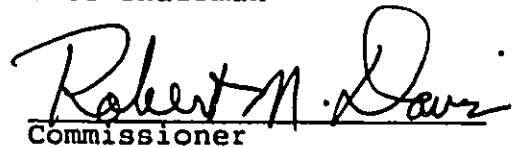
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 10th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-288 DATED August 10, 1992

The following rates and charges are prescribed for the customers in the area served by North Nelson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First	2,000 gallons	\$ 9.79 Minimum Bill
Next	3,000 gallons	2.62 per 1,000 gallons
Next	5,000 gallons	2.25 per 1,000 gallons
All Over	10,000 gallons	2.00 per 1,000 gallons
Truck Loading Stations		5.20 per 1,000 gallons